

MONTEREY FIRE PROTECTION DISTRICT NO. 1
OF CONCORDIA PARISH, LOUISIANA
(A COMPONENT UNIT OF THE
CONCORDIA PARISH POLICE JURY)
MONTEREY, LOUISIANA

FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2013
AND FOR THE YEAR THEN ENDED

WITH
INDEPENDENT ACCOUNTANT'S REVIEW REPORT



SILAS SIMMONS LLP

CERTIFIED PUBLIC ACCOUNTANTS *and* ADVISORS

**MONTEREY FIRE PROTECTION DISTRICT NO. 1
OF CONCORDIA PARISH, LOUISIANA
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
MONTEREY, LOUISIANA**

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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

Board of Supervisors
Monterey Fire Protection District No. 1 of Concordia Parish, Louisiana
Monterey, Louisiana

We have reviewed the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Monterey Fire Protection District No. 1 of Concordia Parish, Louisiana, a component unit of the Concordia Parish Police Jury, as of and for the year ended December 31, 2013, which collectively comprise the District's basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the management of Monterey Fire Protection District No. 1 of Concordia Parish, Louisiana. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

The management of the Monterey Fire Protection District No. 1 of Concordia Parish, Louisiana is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis and budgetary comparison information listed in the accompanying table of contents are not a required part of the financial statements but are supplementary information required by the Governmental Accounting Standards Board. Such information has not been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, but was compiled from information that is the representation of management without audit or review. Accordingly, we do not express any opinion or any other form of assurance on the supplementary information.

In accordance with the *Louisiana Governmental Audit Guide* and the provisions of state law, we have issued a report, dated August 22, 2014, on the results of our agreed-upon procedures.

Silas Simmons, LLP

Natchez, Mississippi
August 22, 2014

SECTION I
REQUIRED SUPPLEMENTAL INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

**MONTEREY FIRE PROTECTION DISTRICT NO. 1
OF CONCORDIA PARISH, LOUISIANA
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
MONTEREY, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2013**

INTRODUCTION

This discussion and analysis (MD&A) of the Monterey Fire Protection District No. 1's (the District) financial performance provides an overall narrative view of the District's financial activities for the year ended December 31, 2013, as compared to 2012. The intent of this discussion and analysis is to look at the District's performance as a whole; readers should also review the notes to financial statements to enhance their understanding of the District's financial performance.

The Monterey Fire Protection District No. 1's main office is located in Monterey, Louisiana in Concordia Parish. The District provides fire protection services to approximately 2,000 customers and is a component unit of the Concordia Parish Police Jury.

FINANCIAL HIGHLIGHTS

- Assets exceeded liabilities by \$268,491 and \$273,310 at December 31, 2013 and 2012, respectively.
- Total expenditures exceeded revenues by \$4,819 and revenues exceeded expenditures by \$29,038 at December 31, 2013 and 2012, respectively.
- The District had net capital assets of \$366,713 and \$373,979 at December 31, 2013 and 2012, respectively.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Monterey Fire Protection District No. 1's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the District's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the District's net position changed during the most recent year.

The government-wide financial statements can be found on pages 5-6 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives.

The basic governmental fund financial statements can be found on pages 7-10 of this report.

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MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2013

OVERVIEW OF FINANCIAL STATEMENTS (continued)

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the fund financial statements. The notes to the financial statements can be found on pages 11-15 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following is a summary of the net position at December 31, 2013 and 2012:

	<u>2013</u>	<u>2012</u>
Assets		
Cash	\$ 14,463	\$ 1,197
Accounts receivable, taxes	62,531	70,368
Capital assets, net	<u>366,713</u>	<u>373,979</u>
Total assets	<u>\$ 443,707</u>	<u>\$ 445,544</u>
Liabilities		
Accrued liabilities	\$ 3,184	\$ 2,874
Current portion - loans payable	36,472	49,112
Long-term portion - loans payable	<u>135,560</u>	<u>120,248</u>
Total liabilities	<u>\$ 175,216</u>	<u>\$ 172,234</u>
Net position		
Investment in capital assets, net of related debt	\$ 194,681	\$ 204,619
Unrestricted	<u>73,810</u>	<u>68,691</u>
Total net position	<u>\$ 268,491</u>	<u>\$ 273,310</u>

The following is a summary of the statement of activities:

	<u>2013</u>	<u>2012</u>
General revenues		
State grant	\$ 10,188	\$ -
Taxes		
State revenue sharing	3,989	-
Ad valorem taxes	86,432	78,166
Federal grants	16,322	50,860
Interest income	62	38
Other revenue	<u>48,633</u>	<u>11,841</u>
Total general revenues	<u>\$ 165,626</u>	<u>\$ 140,905</u>

-continued-

MONTEREY FIRE PROTECTION DISTRICT NO. 1
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MONTEREY, LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2013

GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

	<u>2013</u>	<u>2012</u>
General expenses		
Governmental activities – public safety		
Personnel services	\$ 9,600	\$ 9,600
Operating services	150,060	90,932
Interest expense	<u>10,785</u>	<u>11,335</u>
Total general expenses	<u>\$ 170,445</u>	<u>\$ 111,867</u>
Increase (decrease) in net position	\$ (4,819)	\$ 29,038
Net position, beginning of year	<u>273,310</u>	<u>244,272</u>
Net position, end of year	<u>\$ 268,491</u>	<u>\$ 273,310</u>

The notes to the financial statements should be read to have a full understanding of the data in the government-wide financial statements.

CAPITAL ASSETS AND DEBT

As of December 31, 2013, the District had \$366,713 invested in capital assets net of accumulated depreciation of \$346,087. During the year expenditures of \$60,561 were made to acquire capital assets.

As of December 31, 2013, the District had outstanding long-term debt of \$172,032.

During the year the District purchased the following capital assets:

Computer	\$ 651
Radios	14,341
Television	819
Spreader, cutter, etc.	9,750
Used Class A engine	<u>35,000</u>
	<u>\$ 60,561</u>

MANAGEMENT COMMENT

The Monterey Fire Protection District #1 implemented a parcel fee assessment in 2013, in addition to the millage that has been in place. The additional funds generated have enabled the District to repair and replace equipment and rescue apparatus and replace worn out hoses and nozzles.

REQUEST FOR INFORMATION

This financial report is designed to provide citizens, taxpayers, customers, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. Any questions about this report or requests for additional information may be directed to Jim Graves, Secretary/Treasurer, at 601-304-5350.

SECTION II
BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

MONTEREY FIRE PROTECTION DISTRICT NO. 1
OF CONCORDIA PARISH, LOUISIANA
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
MONTEREY, LOUISIANA
STATEMENT OF NET POSITION
DECEMBER 31, 2013

ASSETS

Cash	\$ 14,463
Accounts receivable, taxes	62,531
Capital assets, net	<u>366,713</u>
Total assets	<u>\$ 443,707</u>

LIABILITIES

Accrued liabilities	\$ 3,184
Current portion - loans payable	36,472
Long-term portion - loans payable	<u>135,560</u>
Total liabilities	<u>\$ 175,216</u>

NET POSITION

Invested in capital assets, net of related debt	\$ 194,681
Unrestricted	<u>73,810</u>
Total net position	<u>\$ 268,491</u>

See accompanying notes and accountant's report.

MONTEREY FIRE PROTECTION DISTRICT NO. 1
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MONTEREY, LOUISIANA
STATEMENT OF ACTIVITIES
DECEMBER 31, 2013

GENERAL REVENUES

Taxes	
Ad valorem taxes	\$ 86,432
Intergovernmental:	
Federal grant	16,322
State grant	10,188
State revenue sharing	3,989
Interest income	62
Other revenue	<u>48,633</u>
Total general revenues	<u>\$ 165,626</u>

GENERAL EXPENSES

Governmental activities	
General government	\$ 22,767
Public safety – fire	136,893
Interest expense	<u>10,785</u>
Total general expenses	<u>\$ 170,445</u>
Changes in net position (deficit)	\$ (4,819)
Net position as restated – beginning of year	<u>273,310</u>
Net position – end of year	<u><u>\$ 268,491</u></u>

See accompanying notes and accountant's report.

FUND FINANCIAL STATEMENTS

MONTEREY FIRE PROTECTION DISTRICT NO. 1
OF CONCORDIA PARISH, LOUISIANA
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
MONTEREY, LOUISIANA
BALANCE SHEET
DECEMBER 31, 2013

ASSETS

Cash	\$ 14,463
Accounts receivable, taxes	<u>62,531</u>
Total assets	<u>\$ 76,994</u>

LIABILITIES AND FUND BALANCE

Accrued liabilities	\$ 3,184
Total liabilities	<u>\$ 3,184</u>
Fund balance - unreserved	\$ 73,810
Total fund balance	<u>\$ 73,810</u>
Total liabilities and fund balance	<u>\$ 76,994</u>

See accompanying notes and accountant's report.

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OF CONCORDIA PARISH, LOUISIANA
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RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2013**

Fund balances, total governmental funds (Statement C)	\$	73,810
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Amounts reported for governmental activities in the statement of net position are different because:

Amounts reported for governmental activities are not financial resources and, therefore, are not reported in the funds. Those assets consist of:

Cost of capital assets	\$	712,800	
Less accumulated depreciation		<u>(346,087)</u>	366,713

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds.

Long-term liabilities		<u>(172,032)</u>
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Net position of governmental activities (Statement A)	\$	<u>268,491</u>
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MONTEREY FIRE PROTECTION DISTRICT NO. 1
OF CONCORDIA PARISH, LOUISIANA
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
MONTEREY, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
YEAR ENDED DECEMBER 31, 2013

REVENUES

Taxes	
Ad valorem taxes	\$ 86,432
Intergovernmental:	
Federal grant	16,322
State grant	10,188
State revenue sharing	3,989
Interest income	62
Other revenue	<u>48,633</u>
Total general revenues	<u>\$ 165,626</u>

EXPENDITURES

Governmental activities	
General government	\$ 22,767
Public safety - fire	69,066
Capital outlay	60,561
Debt service	
Interest paid	10,785
Principle retired	<u>167,328</u>
Total expenditures	<u>\$ 330,507</u>

(Deficiency) of revenues over expenditures	\$ (164,881)
Other financing sources	
Proceeds from borrowing	<u>170,000</u>
Net change in fund balances	\$ 5,119
Fund balance, beginning of year	<u>68,691</u>
Fund balance, end of year	<u>\$ 73,810</u>

See accompanying notes and accountant's report.

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MONTEREY, LOUISIANA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
YEAR ENDED DECEMBER 31, 2013

Net changes in fund balance, total governmental funds (Statement E)	\$	5,119
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Amounts reported for governmental activities in the statement are different because:

Governmental funds report capital outlays as expenditures. Donated assets are not recorded in governmental funds. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay, which is considered expenditures on the statement of revenues, expenditures, and changes in fund balances	\$	60,561	
Less current year depreciation		<u>(67,827)</u>	(7,266)

Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. Thus, the change in net position differs from the change in fund balances by the amount that additions to debt of \$170,000 exceeds debt repayments of \$167,328.

		<u>(2,672)</u>
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Change in net position (deficit) per statement of activities (Statement B)	\$	<u>(4,819)</u>
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NOTES TO THE FINANCIAL STATEMENTS

MONTEREY FIRE PROTECTION DISTRICT NO. 1
OF CONCORDIA PARISH, LOUISIANA
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
MONTEREY, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

INTRODUCTION

1. The Concordia Parish Police Jury created the Monterey Fire Protection District No. 1 of Concordia Parish, Louisiana by ordinance. The District operates in compliance with Part II, Title 40:1492-1502 of the Louisiana Revised Statutes.
2. The purpose of the District is to provide fire protection.
3. The District's boundaries are outside of the corporate limits of any municipality in Concordia Parish and outside of the Concordia Fire Protection District No. 1. Concordia Parish is located in East Central Louisiana.
4. A Board of Supervisors appointed by the Concordia Parish Police Jury governs the District. The Board consists of five members and is presently serving without compensation.
5. The District had no employees.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

The accompanying basic financial statements of the Monterey Fire Protection District No. 1 of Concordia Parish, Louisiana have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement 34, *Basic Financial Statement - and Management's Discussion and Analysis - for State and Local Governments*, issued in June 1999.

B. Reporting Entity

The District does not possess all the corporate powers necessary to make it a legally separate entity from the Concordia Parish Police Jury, which holds the District's corporate powers. For this reason, the District is a component unit of the Concordia Parish Police Jury, the financial reporting entity.

The accompanying financial statements present information only on the funds maintained by the District and do not present information on the Police Jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

C. Fund Accounting

The District uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain District functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts.

MONTEREY FIRE PROTECTION DISTRICT NO. 1
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MONTEREY, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Fund Accounting (continued)

Governmental Funds

Governmental funds account for all or most of the District's general activities. These funds focus on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may be used. Current liabilities are assigned to the fund from which they will be paid. The difference between a governmental fund's assets and liabilities is reported as fund balance. In general, fund balance represents the accumulated expendable resources which may be used to finance future period programs or operations of the District. The following is a description of the District's fund:

1. General Fund - the primary operating fund of the District and it accounts for all financial resources, except those required to be accounted for in other funds. The general fund is available for any purpose provided it is expended or transferred in accordance with state and federal laws and according to District policy.

D. Measurement Focus/Basis of Accounting

Fund Financial Statements

The amounts reflected in the governmental funds of Statements C and D are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The statement of revenues, expenditures, and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to a government-wide view of the District's operations.

The amounts reflected in the governmental funds of Statements C and D use the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District considers all revenues available if they are collected within 60 days after the year end.

Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Government-Wide Financial Statements

The page labeled Statement of Net Position (Statement A) and the page labeled Statement of Activities (Statement B) display information about the District as a whole. These statements include all of the financial activities of the District. Information contained in these statements reflect the economic resources measurement focus and the accrual basis of accounting.

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NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Budgets

The District uses the following budget practices:

1. The Fire Chief prepares a proposed budget and submits same to the District Board of Supervisors no later than fifteen days prior to the beginning of each year.
2. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance prior to the commencement of the year for which the budget is being adopted.
5. Budgetary amendments involving the transfer of funds from one department, program, or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the District Board.
6. All budgetary appropriations lapse at the end of each year.
7. Budgets are adopted on a budgetary basis. Budget amounts are as originally adopted or as amended from time to time by the District Board of Supervisors.

F. Cash and Cash Equivalents

Cash includes amounts in demand deposits and time deposits. Under state law, the District may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

G. Capital Assets

Capital assets are capitalized at historical cost. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The District maintains a threshold level of \$1,000 or more for capitalizing capital assets.

Capital assets are recorded in the statement of net position and statement of activities. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes, no salvage value is taken into consideration for depreciation purposes. All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

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MONTEREY, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. Capital Assets (continued)

Description	Estimated Lives
Buildings and improvements	30 years
Furniture and fixtures	5 years
Vehicles	5 years
Equipment	15 years

H. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

I. Fund Equity

Beginning with fiscal year 2013, the District implemented GASB Statement 54 *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable fund balance - amounts that are not in a spendable form (such as inventory) or are required to be maintained intact;
- Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- Committed fund balance - amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- Assigned fund balance - amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- Unassigned fund balance - amounts that are available for any purpose (such as the purchase of fixed assets, construction, debt service, or for other purposes).

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MONTEREY, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

I. Fund Equity (continued)

The District establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by the Board through adoption or amendment of the budget as intended for specific purpose (such as the purchase of fixed assets, construction, debt service, or for other purposes).

In the general fund, the District strives to maintain an unassigned fund balance to be used for unanticipated emergencies.

NOTE 2 - LEVIED TAXES

The following is a summary of authorized and levied property taxes:

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
Taxes due for:			
Fire protection	9.59	9.59	Permanent

NOTE 3 - CASH AND CASH EQUIVALENTS

At December 31, 2013, the District has cash and cash equivalents (book balances) totaling \$14,463. The cash was held in interest-bearing demand deposits.

These deposits are stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance or pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

NOTE 4 - RECEIVABLES

The receivables of \$62,531 at December 31, 2013, are as follows:

Ad valorem	\$ 62,531
Less allowance for doubtful accounts	-
Total receivables	<u>\$ 62,531</u>

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MONTEREY, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE 5 - CAPITAL ASSETS

Capital assets and depreciation activities as of and for the year ended December 31, 2013, for the primary government are as follows:

	<u>Beginning Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending Balance</u>
Capital assets being depreciated				
Buildings	\$ 109,000	\$ -	\$ -	\$ 109,000
Equipment	<u>543,239</u>	<u>60,561</u>	<u>-</u>	<u>603,800</u>
Total capital assets being depreciated	\$ <u>652,239</u>	\$ <u>60,561</u>	\$ <u>-</u>	\$ <u>712,800</u>
Less accumulated depreciation for:				
Buildings	\$ (45,200)	\$ (2,400)	\$ -	\$ (47,600)
Equipment	<u>(233,060)</u>	<u>(65,427)</u>	<u>-</u>	<u>(298,487)</u>
Total accumulated depreciation	\$ <u>(278,260)</u>	\$ <u>(67,827)</u>	\$ <u>-</u>	\$ <u>(346,087)</u>
Total capital assets	\$ <u>373,979</u>	\$ <u>(7,266)</u>	\$ <u>-</u>	\$ <u>366,713</u>

Depreciation expense of \$67,827 for the year ended December 31, 2013, was charged to the public safety functions.

NOTE 6 - ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

The accounts payable and accrued liabilities at December 31, 2013, were as follows:

Accounts interest payable \$ 3,184

NOTE 7 - GENERAL LONG-TERM DEBT

At December 31, 2013, long-term debt was comprised of the following:

\$170,000 note payable in annual installments of \$19,968 beginning July 15, 2003, interest at 3.642%	\$ 150,032
\$111,000 - 2007 certificates of indebtedness due in annual installments of \$10,000 to \$22,000, beginning March 1, 2008, through March 1, 2014, interest at 5%	<u>22,000</u>
Total long-term debt	<u>\$ 172,032</u>

MONTEREY FIRE PROTECTION DISTRICT NO. 1
OF CONCORDIA PARISH, LOUISIANA
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
MONTEREY, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE 7 - GENERAL LONG-TERM DEBT (continued)

The following is a summary of the long-term debt transactions for the year ended December 31, 2013:

	Balance 12-31-2012	Additions	Reductions	Balance 12-31-2013	Due Within One Year
Notes payable	\$ 169,360	\$ 170,000	\$ (167,328)	\$ 172,032	\$ 36,472
Total	<u>\$ 169,360</u>	<u>\$ 170,000</u>	<u>\$ (167,328)</u>	<u>\$ 172,032</u>	<u>\$ 36,472</u>

The maturity schedule for the debt is as follows:

Date	Principal	Interest	Total
2014	\$ 36,472	\$ 5,647	\$ 42,119
2015	14,999	4,969	19,968
2016	15,545	4,423	19,968
2017	16,111	3,857	19,968
2018	16,698	3,270	19,968
2019-2022	<u>72,207</u>	<u>6,775</u>	<u>78,982</u>
Total	<u>\$ 172,032</u>	<u>\$ 28,941</u>	<u>\$ 200,973</u>

NOTE 8 - LITIGATION AND CLAIMS

The District has no employees that would require participation in a retirement system.

NOTE 9 - RISK MANAGEMENT

The District is exposed to certain risks of losses such as property damage, liability issues, and other potential losses that may occur. The District minimizes its losses by purchase of commercial insurance. The District's exposure over the amount of insurance is considered to be immaterial.

SECTION III
ADDITIONAL REQUIRED SUPPLEMENTAL INFORMATION

MONTEREY FIRE PROTECTION DISTRICT NO. 1
OF CONCORDIA PARISH, LOUISIANA
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
MONTEREY, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (GAAP BASIS) - GENERAL FUND
YEAR ENDED DECEMBER 31, 2013

	<u>Budgeted Amounts</u>		<u>Actual</u> <u>Amounts</u> <u>Budgetary</u> <u>Basis</u>	<u>Variance</u> <u>Favorable</u> <u>(Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes				
Ad valorem taxes	\$ 78,000	\$ 78,000	\$ 94,269	\$ 16,269
Intergovernmental:				
Federal grant	16,000	16,000	16,322	322
State grant	-	-	10,188	10,188
State revenue sharing	3,000	3,000	3,989	989
Interest income	35	35	62	27
Other revenues	68,800	68,800	48,633	(20,167)
Total revenues	<u>\$ 165,835</u>	<u>\$ 165,835</u>	<u>\$ 173,463</u>	<u>\$ 7,628</u>
EXPENDITURES				
Governmental activities				
General government	\$ 2,800	\$ 2,800	\$ 22,767	\$ (19,967)
Public safety - fire	50,450	50,450	69,066	(18,616)
Capital outlay	55,000	55,000	60,561	(5,561)
Debt service				
Interest paid	10,000	10,000	10,475	(475)
Principle paid	167,328	167,328	167,328	-
Total expenditures	<u>\$ 285,578</u>	<u>\$ 285,578</u>	<u>\$ 330,197</u>	<u>\$ (44,619)</u>
Excess of revenues over expenditures	<u>\$ (119,743)</u>	<u>\$ (119,743)</u>	<u>\$ (156,734)</u>	<u>\$ (36,991)</u>
OTHER FINANCING SOURCES				
Proceeds from borrowing	<u>\$ 170,000</u>	<u>\$ 170,000</u>	<u>\$ 170,000</u>	<u>\$ -</u>
Excess of revenues over expenditures	<u>\$ 50,257</u>	<u>\$ 50,257</u>	<u>\$ 13,266</u>	<u>\$ (36,991)</u>
Fund balance, beginning of year	<u>1,197</u>	<u>1,197</u>	<u>1,197</u>	<u>-</u>
Fund balance, end of year	<u>\$ 51,454</u>	<u>\$ 51,454</u>	<u>\$ 14,463</u>	<u>\$ (36,991)</u>

See Independent Accountant's Review Report.

MONTEREY FIRE PROTECTION DISTRICT NO. 1
OF CONCORDIA PARISH, LOUISIANA
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
MONTEREY, LOUISIANA
NOTES TO THE REQUIRED SUPPLEMENTAL INFORMATION

Budgetary Comparison Schedule

1. Basis of Presentation

The budgetary comparison schedule presents the original legally adopted budget, the actual data on the cash basis, and variances between the final budget and the actual data.

2. Budget/GAAP Reconciliation

The major differences between the budgetary basis and the GAAP basis are:

- a. Revenues are recorded when received in cash (budgetary) as opposed to when susceptible to accrual (GAAP).
- b. Expenditures are recorded when paid in cash (budgetary) as opposed to when susceptible to accrual (GAAP).

The following schedule reconciles net change in fund balances on the budgetary basis schedules to the GAAP basis financial statements for the general fund.

	General Fund
Net change in fund balance – budget basis (decrease)	\$ 13,266
Net adjustments for revenue accruals	(7,837)
Net adjustments for expenditure accruals	(310)
Net change in fund balance – GAAP basis	<u>\$ 5,119</u>

SECTION IV - OTHER SUPPLEMENTAL INFORMATION

**MONTEREY FIRE PROTECTION DISTRICT NO. 1
OF CONCORDIA PARISH, LOUISIANA
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
MONTEREY, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2013**

SECTION 1: SUMMARY OF RESULTS

Financial statements:

- | | | |
|----|---|--------|
| 1. | Type of report issued on the financial statements: | Review |
| 2. | Noncompliance relating to the financial statements? | Yes |

MONTEREY FIRE PROTECTION DISTRICT NO. 1
OF CONCORDIA PARISH, LOUISIANA
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
MONTEREY, LOUISIANA
STATUS OF CURRENT YEAR FINDINGS, RECOMMENDATIONS, AND CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED DECEMBER 31, 2013

Reference No.	Description of Finding	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
Section I – Internal Control and Compliance Material to the Financial Statements:				
2013-1	<p><u>Late Filing of Audit Report</u> Louisiana Revised Statute 24:513 requires all audit engagements be completed and transmitted to the Louisiana Legislative Auditor within six months of the close of the entity's year. Accordingly, this audit report was due to be filed no later than June 30, 2014, and was filed in September 2014.</p> <p><u>Recommendation</u> We recommend that the District have all their information ready early enough to be filed by June 30.</p>	This will be corrected next year.	Jim Graves	6-30-2015
2013-2	<p><u>Budget Law Compliance</u> We noted that the District has budgeted expenditures of \$285,578 and actual expenditures of \$330,197. The variance was 15% in excess of the budgeted amount of expenditures. LRS 30:1311 requires expenditures to be within 5% of the budgeted amount. This appears to be a violation of that statute.</p> <p><u>Recommendation</u> We recommend that the District reviews expenditures on a monthly basis and amend the budget if necessary.</p>	This will be corrected next year.	Jim Graves	12-31-2014

**MONTEREY FIRE PROTECTION DISTRICT NO. 1
OF CONCORDIA PARISH, LOUISIANA
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
MONTEREY, LOUISIANA
STATUS OF CURRENT YEAR FINDINGS, RECOMMENDATIONS, AND CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED DECEMBER 31, 2013**

<u>Reference No.</u>	<u>Description of Finding</u>	<u>Corrective Action Planned</u>	<u>Name of Contact Person</u>	<u>Anticipated Completion Date</u>
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Section II – Internal Control and Compliance Material to Federal Awards:

None.

Section III – Management Letter:

None.

MONTEREY FIRE PROTECTION DISTRICT NO. 1
OF CONCORDIA PARISH, LOUISIANA
(A COMPONENT UNIT OF THE CONCORDIA PARISH POLICE JURY)
MONTEREY, LOUISIANA
SUMMARY OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2012

<u>Ref. No.</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Corrective Action Taken (Yes, No, Partially)</u>	<u>Planned Corrective Action/Partial Corrective Action Taken</u>
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Section I – Internal Control and Compliance Not Material to the Financial Statements:

None.

Section II – Internal Control and Compliance Material to Federal Awards:

None.

Section III – Management Letter:

None.

MONTEREY FIRE PROTECTION DISTRICT No. 1

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Government)August 1, 2014 (Date Transmitted)Silas Simmons, LLPP. O. Box 1027Natchez, Mississippi 39121-1027

(Auditors)

In connection with your review of our financial statements as of [date] and for the year then ended, and as required by Louisiana Revised Statute (R.S.) 24:513 and the Louisiana Governmental Audit Guide, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of (date of completion/representations).

Public Bid Law

It is true that we have complied with the public bid law, R.S. Title 38:2211-2296, and, where applicable, the regulations of the Division of Administration and the State Purchasing Office.

Yes ☒ No ☐**Code of Ethics for Public Officials and Public Employees**

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of R.S. 42:1101-1124.

Yes ☒ No ☐

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of R.S. 42:1119.

Yes ☒ No ☐**Budgeting**

We have complied with the state budgeting requirements of the Local Government Budget Act (R.S. 39:1301-15), R.S. 39:33, or the budget requirements of R.S. 39:1331-1342, as applicable.

Yes ☒ No ☐**Accounting and Reporting**

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by R.S. 44:1, 44:7, 44:31, and 44:36.

Yes ☒ No ☐

We have filed our annual financial statements in accordance with R.S. 24:514, and 33:463 where applicable.

Yes ☒ No ☐

We have had our financial statements reviewed in accordance with R.S. 24:513.

Yes ☒ No ☐**Meetings**

We have complied with the provisions of the Open Meetings Law, provided in R.S. 42:11 through 42:28.

Yes ☒ No ☐**Debt**

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and R.S. 39:1410.60-1410.65.

Yes ☒ No ☐

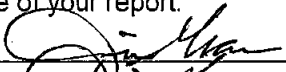

Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, R.S. 14:138, and AG opinion 79-729.

Yes ☒ No ☐

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance that may occur subsequent to the issuance of your report.

	Secretary	8/26/14	Date
	Treasurer	8/26/14	Date
Marilyn Book	President	8-26-14	Date

SECTION V
OTHER REPORTS



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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Monterey Fire Protection District No. 1 of Concordia Parish, Louisiana
 and the Legislative Auditor, State of Louisiana

We have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of Monterey Fire Protection District No. 1 of Concordia Parish, Louisiana and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about Monterey Fire Protection District No. 1 of Concordia Parish, Louisiana's compliance with certain laws and regulations during the year ended December 31, 2013, included in the accompanying *Louisiana Attestation Questionnaire*. Management of Monterey Fire Protection District No. 1 of Concordia Parish, Louisiana is responsible for its financial records and compliance with applicable laws and regulations. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

Public Bid Law

1. Select all expenditures made during the year for material and supplies exceeding \$20,000, or public works exceeding \$100,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

There was one expenditure for materials or supplies exceeding \$20,000, and no public works exceeding \$100,000. The expenditure greater than \$20,000 was in compliance with the bid law.

Code of Ethics for Public Officials and Public Employees

2. Obtain from management a list of the immediate family members of each Board member as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interests of all Board members and employees, as well as their immediate families.

Management provided us with the required list including the noted information.

Code of Ethics for Public Officials and Public Employees

3. Obtain from management a listing of all employees paid during the period under examination.

The District does not have any employees.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedures were also included on the listing obtained from management in agreed-upon procedures as immediate family members.

The District has no employees.

Budgeting

5. Obtain a copy of the legally adopted budget and all amendments.

A copy of the budget was provided.

6. Trace the budget adoption and amendments to the minute book.

The budget was traced to the minute book.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues failed to meet budgeted revenues by 5% or more or if actual expenditures exceed budgeted amounts by 5% or more.

The budget expenditures exceeded budgeted amounts by 15% and this is included as finding 2013-2.

Accounting and Reporting

8. Randomly select 6 disbursements made during the period under examination and:

- (a) trace payments to supporting documentation as to proper amount and payee;

We examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee.

- (b) determine if payments were properly coded to the correct fund and general ledger account;

All of the six payments were properly coded to the correct fund and general ledger account.

- (c) determine whether payments received approval from proper authorities.

Per review of cancelled checks and supporting documentation, it was noted that the appropriate approval signature for payment of the invoices was present.

Meetings

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1 through 42:12 (the open meetings law).

The Monterey Fire Protection District No. 1 of Concordia Parish, Louisiana is only required to post a notice of each meeting and the accompanying agenda on the door of the District's office building. We could find no evidence supporting or denying such assertion.

Debt

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

We inspected copies of all bank deposit slips for the period under examination and noted one deposit which appeared to be proceeds of bank loans, bonds, or like indebtedness. We traced this deposit to the financial statements. This deposit was a \$170,000 loan.

Advances and Bonuses

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees which may constitute bonuses, advances, or gifts.

The District does not have any employees.

We were not engaged to perform and did not perform an audit, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of the Monterey Fire Protection District No. 1 of Concordia Parish, Louisiana and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Silas Simmons, LLP

Natchez, Mississippi
August 22, 2014